

CITY OF EFFINGHAM, KANSAS

REGULATORY BASIS FINANCIAL STATEMENTS

For the year ended December 31, 2017

And

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS



Karlin & Long, LLC
Certified Public Accountants

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CITY OF EFFINGHAM, KANSAS

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Karlin & Long, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

The Honorable Mayor and City Council
P.O. Box 94
Effingham, Kansas 66023

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Effingham, Kansas as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Effingham, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Effingham, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Effingham, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and related municipal entity schedule of receipts and expenditures – actual (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing

procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in cursive script that reads "Karlin & Long, LLC".

Karlin & Long, LLC
Certified Public Accountants

Lenexa, KS
July 21, 2018

CITY OF EFFINGHAM, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General	\$ 51,025	0	\$ 262,060	\$ 246,113	\$ 66,972	0	\$ 66,972
Special Purpose Funds							
Employee Benefits	3,255	0	44,594	47,680	169	0	169
Streets	120,471	0	60,124	37,059	143,536	0	143,536
Library	378	0	18,557	18,935	0	0	0
Fire station	74	0	2,499	2,352	221	0	221
Business	9,490	0	4,397	2,922	10,965	0	10,965
Bond & Interest Fund							
Bond & Interest	10,485	0	499	0	10,984	0	10,984
Capital Projects							
Pool	2,394	0	2,817	723	4,488	0	4,488
Business Funds:							
Water Utility	125,697	0	133,262	150,771	108,188	0	108,188
Sewer Utility	165,629	0	73,810	171,639	67,800	0	67,800
Pool	1,861	0	72,744	71,357	3,248	0	3,248
Related Municipal Entity							
Library	1,736	0	40,255	32,065	9,926	0	9,926
Total Reporting Entity	\$ 492,495	0	\$ 715,618	\$ 781,616	\$ 426,497	0	\$ 426,497
Composition of Cash							
					Checking Accounts		\$ 225,960
					Savings Accounts		190,611
					Petty Cash		
					Municipal Investment Pool		
					Certificates of Deposit		
					Total Component Unit		9,926
					Total Reporting Entity		\$ 426,497

The notes to the financial statements are an integral part of this statement.

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Effingham, Kansas is a municipal corporation governed by an elected six member council. The city as an entity has been defined to include, on a combined basis, (a) the city (b) organizations for which the City of Effingham is fiscally accountable, and (c) other organizations for which the nature and significance of their relationship with the city are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The related entity is included in the City's reporting entity because they were established to benefit the City and/or its constituents.

Effingham Community Library

The Effingham Community Library operates the City's public library. The City annually levies a tax for the Library. The accounting policies of the Effingham Community Library are the same as those of the City. The complete financial records of the Effingham Community Library may be viewed at the city offices at City Hall, Effingham, Kansas 66203.

Regulatory Basis Fund Types

General Fund – The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than major capital projects and tax levies for long-term debt) that are intended for specified purposes.

Business Funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, sewer fund, etc.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt. Accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. No budgets amendments were noted for the current year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds and the following special purpose funds: 1) Capital Improvement Fund, 2) Equipment Reserve Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 2 – Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

We noted violations of K.S.A. 79-2935, the budget law, in the Employee Benefit Fund, and Fire Station Fund for the period under audit.

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the government's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The government has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State statutes require the government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the government's carrying amount of deposits was \$ 426,497 and the bank balance was \$ 443,890. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance. Of the remaining balance, \$ 193,890 was collateralized with securities held by the pledging financial institutions' agents in the government's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Defined Benefit Pension Plan

Plan Description – The City of Effingham, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates depending on whether the employee is KPERS 1, KPERS2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to provisions Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on results of each annual actuarial valuation. Kansas sets a limitation on annual increases in the employer contributions rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with the 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City of Effingham, Kansas were \$9,686 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City of Effingham, Kansas' proportionate share of the collective net pension liability reported by KPERS was \$91,933 the net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined was an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City of Effingham,

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan (continued)

Net Pension Liability (continued)

Kansas' proportion of the net pension liability was based on the ratio of the City of Effingham, Kansas' contributions to KPERS, relative to the total employer and non employer contributions to the Local subgroup within KPERS. Since KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actual valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website www.KPERS.org or can be obtained as described above.

NOTE 5 – Other Long Term Obligations from Operations

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the city is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the city makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences

Sick leave is available to all full time employees of the City and accrues at the rate of 10 days per year. Vacation leave is available for full time employees and is based on the number of years of service. One to three years of service employees receive one week of vacation. Four to fifteen years of service employees receive two weeks of vacation. Sixteen to twenty years of service employees receive three weeks of vacation. Employees with more than twenty years of service receive four weeks of vacation. Part time employees accrue sick leave at a rate of five days per year. No vacation time is given for part time employees. Payment is received by terminating employees with unused vacation or sick leave. The City has not computed or recorded this potential liability.

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Claims and Judgments

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government.

As of December 31, 2017, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2016 to 2017 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Sewer	Pool	K.S.A. 12-825d	44,150
General	Pool	K.S.A. 79-2526	11,825
Water	Pool	K.S.A. 12-825d	3,190
Water	General	K.S.A. 12-825d	29,496
Sewer	General	K.S.A. 12-825d	20,000

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Subsequent Events Review

Subsequent events for management's review have been evaluated through July 21, 2018. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 9 – Long Term Debt

The schedule of long term debt and current maturities for the next five years is detailed in the following schedule.

CITY OF EFFINGHAM, KANSAS

NOTES TO FINANCIAL STATEMENTS

Note 9 - Long Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2017 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds			\$		\$	0	\$	0	\$	-
Revenue Bond										
Pool	3.75%-5.5%	12/2/08	565,000	10/15/29	440,000		25,000	(25,000)	415,000	22,650
KDHE Loan:										
Kansas Water Pollution										
Control Revolving Fund # 2461	3.00%	4/17/07	741,000	4/17/27	516,486		35,535	(35,535)	480,951	15,434
Kansas Water Pollution										
Control Revolving Fund # 131801	2.90%	8/23/99	218,300	8/31/20	52,544		12,520	(12,520)	40,024	1,453
Total Long Term Debt					<u>\$ 1,409,030</u>	<u>\$ 0</u>	<u>\$ 73,055</u>	<u>\$ (73,055)</u>	<u>\$ 935,975</u>	<u>\$ 39,537</u>
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:										
	2018	2019	2020	2021	2022	2023-2027	2028-2029	Total		
Principal										
General Obligation Bonds	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 185,000	\$ 90,000	\$ 415,000		
Special Assessment Bonds								0		
Certificates of Participation								0		
Capital Leases								0		
KDHE Notes	49,162	50,635	52,829	39,772	40,974	224,212	63,391	520,975		
No-Fund Warrants								0		
Temporary Notes								0		
Total Principal	<u>74,162</u>	<u>75,635</u>	<u>82,829</u>	<u>69,772</u>	<u>70,974</u>	<u>409,212</u>	<u>153,391</u>	<u>935,975</u>		
Interest										
General Obligation Bonds	21,525	20,400	19,275	17,775	16,275	55,575	7,425	158,250		
Special Assessment Bonds								0		
Certificates of Participation								0		
Capital Leases								0		
KDHE Notes	15,234	13,762	12,244	10,763	9,560	28,459	1,765	91,787		
No-Fund Warrants								0		
Temporary Notes								0		
Total Interest	<u>36,759</u>	<u>34,162</u>	<u>31,519</u>	<u>28,538</u>	<u>25,835</u>	<u>84,034</u>	<u>9,190</u>	<u>250,037</u>		
Total Principal and Interest	<u>\$ 110,921</u>	<u>\$ 109,797</u>	<u>\$ 114,348</u>	<u>\$ 98,310</u>	<u>\$ 96,809</u>	<u>\$ 493,246</u>	<u>\$ 162,581</u>	<u>\$ 1,186,012</u>		

City of Effingham, Kansas

Regulatory-Required

Supplementary Information

For the year ended December 31, 2017

CITY OF EFFINGHAM, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2017

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	\$ 371,345	\$ 0	0	\$ 371,345	\$ 246,113	\$ (125,232)
Special Purpose Funds						
Employee Benefits	46,500	0	0	46,500	47,680	1,180
Streets	190,092	0	0	190,092	37,059	(153,033)
Library	19,307	0	0	19,307	18,935	(372)
Fire Station	1,238	0	0	1,238	2,352	1,114
Blue Building	13,110	0	0	13,110	2,922	(10,188)
Bond and Interest Fund						
Bond and Interest	8,535	0	0	8,535	0	(8,535)
Business Funds						
Water Utility	226,946	0	0	226,946	150,771	(76,175)
Sewer Utility	224,217	0	0	224,217	171,639	(52,578)
Pool	112,650	0	0	112,650	71,357	(41,293)

CITY OF EFFINGHAM, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended December 31, 2017

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 87,562	\$ 103,166	\$ (15,604)
Delinquent tax	4,308	2,500	1,808
Motor vehicle tax	18,183	16,600	1,583
RV tax	359	297	62
16/20M vehicle tax	636	898	(262)
Commercial vehicle tax		1,661	(1,661)
Watercraft tax		177	(177)
State Assessed	12,639		12,639
Franchise fees	28,208	30,000	(1,792)
Sales tax	55,961	55,000	961
Interest income	666		666
Miscellaneous revenues	4,042		4,042
Operating transfers	49,496	60,000	(10,504)
Total Cash Receipts	<u>262,060</u>	<u>270,299</u>	<u>(8,239)</u>
EXPENDITURES			
General government			
Personnel services	75,959	82,750	(6,791)
Commodities	51,348	67,368	(16,020)
Contractual	52,738	62,500	(9,762)
County sales tax	19,621	21,405	(1,784)
Highways and streets	10,235		10,235
Neighborhood revitalization rebate	1,895		1,895
Debt Service	11,325		11,325
Capital outlay	11,167	102,322	(91,155)
Operating transfers	11,825	35,000	(23,175)
Adjustment for qualifying budget credits			0
Total Expenditures	<u>246,113</u>	<u>\$ 371,345</u>	<u>\$ (125,232)</u>
Receipts Over (Under) Expenditures	15,947		
Unencumbered Cash, Beginning	51,025		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 66,972</u>		

CITY OF EFFINGHAM, KANSAS
SPECIAL PURPOSE FUND
 EMPLOYEE BENEFIT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 32,325	\$ 38,077	\$ (5,752)
Delinquent tax	1,241	600	641
Motor vehicle tax	6,085	5,556	529
RV tax	120	99	21
16/20M vehicle tax	213	300	(87)
Commercial vehicle tax		556	(556)
Watercraft tax		60	(60)
State Assessed	4,610		4,610
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>44,594</u>	<u>45,248</u>	<u>(654)</u>
EXPENDITURES			
Payroll taxes	13,044	12,000	1,044
Retirement	8,214	7,000	1,214
Health Insurance	25,723	27,500	(1,777)
Workman's compensation			0
Neighborhood revitalization rebate			0
Operating transfers	699		699
Adjustment for qualifying budget credits			0
	<u>47,680</u>	<u>\$ 46,500</u>	<u>\$ 1,180</u>
Receipts Over (Under) Expenditures	(3,086)		
Unencumbered Cash, Beginning	3,255		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>169</u>		

CITY OF EFFINGHAM, KANSAS
SPECIAL PURPOSE FUND
 STREETS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 13,322	\$ 14,622	\$ (1,300)
Delinquent tax	506	250	256
Motor vehicle tax	2,456	2,312	144
RV tax	49	41	8
16/20M vehicle tax	75	125	(50)
Commercial vehicle tax		231	(231)
Watercraft tax		25	(25)
State Assessed	1,780		1,780
Fuel tax	13,837	13,650	187
Sales tax	28,099	25,000	3,099
Bond proceeds			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>60,124</u>	<u>56,256</u>	<u>3,868</u>
EXPENDITURES			
Street project			0
Streets	36,790	190,092	(153,302)
Neighborhood revitalization rebate	269		269
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>37,059</u>	<u>\$ 190,092</u>	<u>\$ (153,033)</u>
 Receipts Over (Under) Expenditures	 23,065		
Unencumbered Cash, Beginning	120,471		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 143,536</u>		

CITY OF EFFINGHAM, KANSAS
SPECIAL PURPOSE FUND
 LIBRARY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 13,806	\$ 16,261	\$ (2,455)
Delinquent tax	453	250	203
Motor vehicle tax	2,238	2,043	195
RV tax	44	36	8
16/20M vehicle tax	78	110	(32)
Commercial vehicle tax		204	(204)
Watercraft tax		22	(22)
State Assessed	1,938		1,938
Federal grants			0
State aid/grants			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>18,557</u>	<u>18,926</u>	<u>(369)</u>
EXPENDITURES			
General government	18,636	19,307	(671)
Capital outlay			0
Neighborhood revitalization rebate	299		299
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>18,935</u>	<u>\$ 19,307</u>	<u>\$ (372)</u>
Receipts Over (Under) Expenditures	(378)		
Unencumbered Cash, Beginning	378		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

CITY OF EFFINGHAM, KANSAS
SPECIAL PURPOSE FUND
 FIRE STATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Utility reimbursements	\$ 2,425	\$	\$ 2,425
Interest income			0
Miscellaneous revenues	74		74
Operating transfers			0
	<u>2,499</u>	<u>0</u>	<u>2,499</u>
Total Cash Receipts			
EXPENDITURES			
General government	0	1,238	(1,238)
Capital outlay	2,352		2,352
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>2,352</u>	<u>\$ 1,238</u>	<u>\$ 1,114</u>
Total Expenditures			
Receipts Over (Under) Expenditures	147		
Unencumbered Cash, Beginning	74		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 221</u>		

CITY OF EFFINGHAM, KANSAS
 BUSINESS FUND
 WATER UTILITY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Charges for services	\$ 129,196	\$ 145,000	\$ (15,804)
Interest income	166	200	(34)
Miscellaneous revenues	3,900		3,900
Operating transfers			0
	<u>133,262</u>	<u>145,200</u>	<u>(11,938)</u>
Total Cash Receipts			
EXPENDITURES			
Production			
Personnel services	27,542	33,000	(5,458)
Commodities	13,854	25,000	(11,146)
Contractual	23,845	26,000	(2,155)
Capital outlay	98	35,200	(35,102)
Debt service	52,746	52,746	0
Operating transfers	32,686	55,000	(22,314)
Adjustment for qualifying budget credits			0
	<u>150,771</u>	<u>\$ 226,946</u>	<u>\$ (76,175)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(17,509)		
Unencumbered Cash, Beginning	125,697		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 108,188</u>		

CITY OF EFFINGHAM, KANSAS
BUSINESS FUND
 SEWER UTILITY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Charges for services	\$ 72,534	\$ 90,000	\$ (17,466)
Interest income	235		235
Miscellaneous revenues	1,041	2,000	(959)
Operating transfers			0
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	73,810	92,000	(18,190)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Production			
Personnel services	28,547	30,000	(1,453)
Commodities	3,437	12,500	(9,063)
Contractual	57,370	20,000	37,370
Capital outlay	4,040	86,868	(82,828)
Debt service	14,095	14,849	(754)
Operating transfers	64,150	60,000	4,150
Adjustment for qualifying budget credits			0
	<hr/>	<hr/>	<hr/>
Total Expenditures	171,639	\$ 224,217	\$ (52,578)
	<hr/>	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(97,829)		
Unencumbered Cash, Beginning	165,629		
Prior Year Cancelled Encumbrances	0		
	<hr/>		
Unencumbered Cash, Ending	\$ 67,800		
	<hr/>		

CITY OF EFFINGHAM, KANSAS
BUSINESS FUND
 POOL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Charges for services	\$ 13,579	\$ 15,000	\$ (1,421)
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>59,165</u>	<u>90,000</u>	<u>(30,835)</u>
Total Cash Receipts	<u>72,744</u>	<u>105,000</u>	<u>(32,256)</u>
EXPENDITURES			
Recreation			
Personnel services	19,014	25,000	(5,986)
Commodities	16,018	25,000	(8,982)
Contractual		15,000	(15,000)
Capital outlay			0
Debt service	36,325	47,650	(11,325)
Operating transfers			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>71,357</u>	<u>\$ 112,650</u>	<u>\$ (41,293)</u>
Receipts Over (Under) Expenditures	1,387		
Unencumbered Cash, Beginning	1,861		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,248</u>		

CITY OF EFFINGHAM, KANSAS
BUSINESS FUND
 BLUE BUILDING FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Utility Reimbursement	\$ 4,250	\$ 3,500	\$ 750
Interest income			0
Miscellaneous revenues	147		147
Operating transfers			0
	<u>4,397</u>	<u>3,500</u>	<u>897</u>
EXPENDITURES			
General government			
Personnel services			0
Commodities	2,922	13,110	(10,188)
Contractual			0
Capital outlay			0
Debt service			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>2,922</u>	<u>\$ 13,110</u>	<u>\$ (10,188)</u>
Total Expenditures			
	<u>2,922</u>	<u>\$ 13,110</u>	<u>\$ (10,188)</u>
Receipts Over (Under) Expenditures	1,475		
Unencumbered Cash, Beginning	9,490		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 10,965</u>		

CITY OF EFFINGHAM, KANSAS
BOND AND INTEREST FUND
 BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax	499		499
Motor vehicle tax			0
RV tax			0
16/20M vehicle tax			0
Commercial vehicle tax			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>499</u>	<u>0</u>	<u>499</u>
EXPENDITURES			
General administration			0
Debt service		8,535	(8,535)
Cash basis reserve			0
Neighborhood revitalization rebate			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>0</u>	<u>\$ 8,535</u>	<u>\$ (8,535)</u>
Receipts Over (Under) Expenditures	499		
Unencumbered Cash, Beginning	10,485		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 10,984</u>		

CITY OF EFFINGHAM, KANSAS
RELATED MUNICIPAL ENTITY
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 Regulatory Basis
 For the Year Ended December 31, 2017

	Component Unit: <u>Library</u>
CASH RECEIPTS	
Federal grants	\$ 0
State aid/grants	12,583
City appropriation	18,258
Donations	7,495
Interest income	0
Miscellaneous revenues	1,919
Operating transfers	
	<hr/>
Total Cash Receipts	<hr/> 40,255 <hr/>
EXPENDITURES	
Operations	
Personnel services	15,955
Commodities	12,646
Contractual	3,464
Capital outlay	
Operating transfers	
Adjustment for qualifying budget credits	
	<hr/>
Total Expenditures	<hr/> 32,065 <hr/>
Receipts Over (Under) Expenditures	8,190
Unencumbered Cash, Beginning	1,736
Prior Year Cancelled Encumbrances	<hr/> 0 <hr/>
Unencumbered Cash, Ending	\$ <u><u>9,926</u></u>